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(54) Title: **SECURE ELECTRONIC COMMERCE SYSTEM**
(54) Titre: **SYSTEME DE COMMERCE ELECTRONIQUE SUR**

(57) Abstract

A secure electronic commerce system and method provides for the distribution of artistic works in electronic formats. The system includes a server system which permits the author or owner of a work to upload and store an electronic copy of the work and allows a plurality of client systems to access the server system to download encrypted copies of the work. The server system can also include an electronic commerce system which enables a client system to transfer value from a credit account or a debit account to an account associated with the server system in exchange for permission to download works. The server system includes an encryption system which stores a unique key for each client system and uses the key to encrypt each work download to a corresponding client system. Each client system includes an encryption system and a unique key which enables only that system to decrypt the work to all a consumer to use the work. The unique key can also be used to verify the identity of the client system.

(57) Abrégé

L'invention concerne un système et un procédé de commerce électronique sûr permettant la distribution d'oeuvres d'art en formats électroniques. Ce système comprend un système serveur qui permet à l'auteur ou au propriétaire d'une oeuvre de télécharger et de mémoriser une copie électronique de l'oeuvre et à une pluralité de système clients d'accéder au système serveur afin de télécharger des copies de l'oeuvre sous forme chiffrée. Le système serveur peut en outre comprendre un système de commerce électronique qui permet à un système client de transférer un montant à partir d'un compte de crédit ou de débit sur un compte associé au système serveur en échange d'une autorisation de téléchargement des oeuvres. Ce système serveur comprend un système de chiffrement dans lequel une clé unique est enregistrée pour chaque système client, et utilise cette clé pour chiffrer chaque téléchargement d'oeuvre à l'intention du système client correspondant. Chaque système client comprend un système de chiffrement et une clé unique qui permet uniquement à ce système de déchiffrer l'oeuvre de manière que le consommateur puisse utiliser l'oeuvre. Cette clé unique peut également servir à vérifier l'identité du système client.

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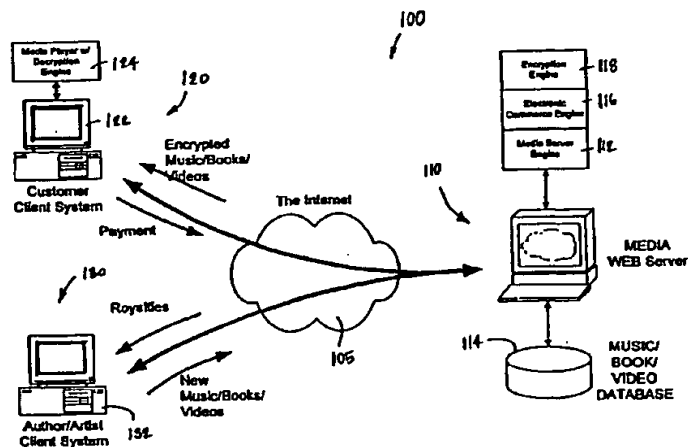
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(54) Title: SECURE ELECTRONIC COMMERCE SYSTEM



(57) Abstract

A secure electronic commerce system and method provides for the distribution of artistic works in electronic formats. The system includes a server system which permits the author or owner of a work to upload and store an electronic copy of the work and allows a plurality of client systems to access the server system to download encrypted copies of the work. The server system can also include an electronic commerce system which enables a client system to transfer value from a credit account or a debit account to an account associated with the server system in exchange for permission to download works. The server system includes an encryption system which stores a unique key for each client system and uses the key to encrypt each work download to a corresponding client system. Each client system includes an encryption system and a unique key which enables only that system to decrypt the work to allow a consumer to use the work. The unique key can also be used to verify the identity of the client system.

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Description

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15 REFERENCE TO MICROFICHE APPENDIX

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5 Traditionally, entertainment and artistic works such as music and movies, are
distributed by incorporating a copy of the work in a medium from which the work, such
10 as a song or a movie, can be heard or viewed using a device. For example, music is
distributed on records, tapes and compact discs and movies are distributed on tapes and
5 digital video disks. The technologies associated with these media have developed over
time in order to permit very high quality reproductions of the original work.

15 The technology also exists to convert these works into digital data that can be
stored in memory in a computer or distributed via a network. This technology permits the
20 works to be stored on digital media such as compact discs ("CDs") and digital video disks
("DVDs"). One of the disadvantages of this technology is that in order to provide a high
25 level of sound and video quality, the works require very large quantities of memory. For
example, a four minute song recorded on a CD occupies approximately 40 Megabytes of
digital data in its native format, thus limiting the number songs that can be contained on a
30 single CD and making distribution of music using the present network infrastructure
15 impractical.

35 Alternative technologies have been developed which enable that same four minute
song to be stored in less than 4 Megabytes of digital data. One such technology, MPEG
1, audio layer 3, which is more commonly known as MP3, defines how digital audio can
40 be stored and transmitted using computers and networks. Other standards and
20 technologies currently exist and still others are being developed.

45 These digital media technologies allow a consumer to store music in non-volatile
memory such as a harddisk drive in a personal computer and use a software program,
applet or plugin, commonly referred to as a media player, to play the music using the
50 multimedia resources of a personal computer. Well known media players for MP3
25 technologies include WinAmp available from NullSoft, Inc. of Sedona, Arizona and

5 Sonique available from Mediascience, Inc. of San Francisco, California. These products
allow a user to play MP3 encoded audio on a personal computer. Other products, such as
10 the Rio available from Diamond Multimedia, Inc. and the MPMan available from Saehan
Information Systems, Inc. of Seoul, Korea, enable a consumer to store and play MP3
5 encoded audio in a portable device. These electronic devices typically store the MP3
15 encoded audio in a flash memory that allows non-volatile storage of the audio and allows
the MP3 encoded audio to be erased or over written.

Digital medial technologies such as MP3 facilitate the ability to distribute audio
20 and video via the current network infrastructure such as the internet. These technologies
10 enable independent authors and artists to setup websites on the World Wide Web
25 ("WWW") to distribute their works and overcome conventional barriers to distribution,
which typically require the author or artist to enter into an agreement with a third party
organization, such as a publishing or recording company, to promote and distribute the
30 author or artist's work. These technologies also provide a means for the unauthorized
15 distribution of the work.

In addition, there is no integrated system or infrastructure in place to enable music
35 distributors, for example, to collect royalties on a per track (or per song) basis. Presently,
music is distributed in album format which includes multiple tracks. There is no effective
40 way to track which consumers were licensed which works. There is no effective way to
20 verify the identity of consumer who is attempting download a copy of a work over a
network such as the internet.

45 Accordingly, it is an object of this invention to provide an improved method and
system for distributing audio, video and text works.

It is yet another object of the present invention to provide an improved method and
5 system for managing the electronic commerce of the distribution of works and other goods
or services over a network such as the internet.

The present invention is directed to a method and system for distributing goods and audio, video and text works over a network, such as the Internet. The method and system according to the invention allow for the transaction to occur in a secure manner which permits the distributor to verify the identity of the consumer (or customer) and impedes the unauthorized distribution of the works by the consumer (or customer) and third parties.

15 The system according to the present invention includes a server system which permits the owner of the work or the distributor to store and distribute the work over a network and a client system which is adapted to communicate with the server system to receive copies of the work over the network. The server system can include storage memory for storing copies of the works to be distributed or alternatively the server system
20 can be adapted to access a storage facility which stores copies of the works, such as over a network or other data connection. The server system can also include an electronic commerce system which is adapted for receiving value (payment) from the consumer or customer and distributing that value to various parties for example the owner of the work and the authorized distributor of the work. The electronic commerce system can receive
25 value from the consumer on either a credit basis (such as using a credit card account) or a

5 debit basis (such as allowing consumers to purchase credits against which they may
receive works). The server system can also include an encryption system which allows
10 the distributor to uniquely encrypt the works distributed to a consumer. Thus, the works
distributed to one consumer could be differently encrypted from the works distributed to
5 another consumer. The server system can include an encryption key database which
15 maintains a unique key for each consumer. The unique key can also serve to allow the
distributor or retailer to verify the identity of the client system (and the consumer) and to
uniquely encrypt the copy of the work or any other data that is transmitted to the client
20 system (and the consumer).

10 The client system according to the present invention can be adapted to interface
with the above described server system to transfer value from the consumer to the
25 distributor (and the owner) and transfer a copy of the work to the consumer. The client
system can include an encryption system which is uniquely adapted to decrypt the work
distributed to the consumer in possession of the client system. In one embodiment, the
30 client system can incorporate the unique key from the server system. The client system
15 can include several unique keys from several different server systems.

35 The client system according to the present invention can be adapted to interface
with the electronic commerce system of the above described server to facilitate the
40 transfer of value and enable to the distributor or retailer to verify the identity of the client
system and ultimately the consumer. In one embodiment, the server system maintains a
20 unique encryption key which is embedded (or hard coded) into the client system. The
server system can verify the identity of the client system by requesting the client system to
45 transmit a predefined message, identification code, or electronic certificate which is
encrypted using the key embedded in the client system. The server system can use the
50 unique key stored in the key database to verify the encrypted message came from the
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5 client that is registered in the database by decrypting the predefined message and
comparing it to an expected value. The same message can include other information such
10 as a credit card information (number and expiration date) or an authorization to debit an
account (including an account number). Alternatively, other known identification
5 verification methods can be used to verify the client system.

15 In another embodiment, a public key encryption system can be used to encrypt the
work and any messages that are transferred between the server system and to the client
system. In this embodiment, the system can further include a public key server which is
20 adapted to transmit the server system's public key to the client and the client system's
10 public key to the server system. Digital signatures can be used by both the client system
and the server system to verify the identity of the other. Public key encryption systems
25 are available from RSA Data Security, Inc. of San Mateo, California.

30 In one embodiment, the client system can also include a media player adapted to
enable the consumer to use to the work as permitted by the owner, such as listen to an
15 audio work, view a video work or read text in a manner similar to the way one would read
a book. Alternatively, a separate media player could be used. As used herein, the client
35 system can reside on a personal computer or the client system can be a combination of
hardware and software that is configured or adapted to perform the functions described,
40 such as a portable device similar to a portable tape or CD player.

20 In an alternative embodiment of the present invention, the client and server
systems can be part of a universal electronic commerce system. In this embodiment, the
45 client system can be a universal electronic commerce client to facilitate electronic
transactions over a network such as the Internet. In this embodiment, the client can be
50 embedded into a web browser or be a "plug-in" software module that provides additional
25 functionality to a browser or other program. The universal electronic commerce system

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5 can include several server systems which can reside on a single system or be distributed
over a network, such as a virtual private network or the internet. This embodiment can
10 include a retailer or distributor server which is adapted to interface with the client to
facilitate an electronic transaction with a consumer. The system can also include a key
5 server which is adapted to manage the key database to transfer consumer keys to the
15 retailer or distributor and transfer retailer or distributor keys to the consumer. In one
embodiment, the key server is managed by an independent company, trusted industry
organization, or the government. The system can further include a credit or debit account
20 server which manages the various accounts, including the consumer account, the retailer
10 account, the distribution account and the owner account. In one embodiment, the credit or
debit account server can be managed by a credit card company, a bank or similar
25 organization. Alternatively, the key distribution and credit/debit functions can be
managed on the same server or jointly by one or more of the organizations identified
30 above.

15 The method according to the present invention can include the following steps:
The consumer or customer can use the client system to establish a connection with the
35 server system. If the client system does not have a unique key and thus is not registered
with the server system (and the owner, distributor or retailer), the client system and server
40 system interact to enable the consumer to register with the distributor or retailer such as
20 providing the customer name, address, telephone and even credit card information. The
server system generates a unique key for the client system and transmits the unique key to
45 the client system to use in connection with transactions with the server system.
Preferably, the unique key is embedded into the software and/or hardware which makes
50 up part of the client system, and is transmitted or delivered to the consumer. The client
25 system which contains the unique key is now used in all subsequent transactions with the

5 distributor or retailer server. The consumer uses the client system to purchase a work
such as a song or group of songs, such as an album, from the distributor or a product or
10 service from a retailer. Because the client system has a unique key, the client system can
be used to enter into an electronic transaction with the distributor or retailer by simply
5 selecting the work or the good or service desired from a list, such as a menu or a web
page, and manifesting an intent to enter into the transaction, such as by clicking on a
15 button, typing a letter or word or transmitting information (such as credit/debit card or
account information) to the server system. Once the consumer manifests the intent to
20 enter into the transaction, the act can be recorded by the server system and the server
10 system can utilize the electronic commerce system to affect the transfer of value to the
appropriate parties or the server system. If the value is successfully transferred, the
25 server system can encrypt the work using the consumer's unique key and transmit the
work to the client system or in the case of hard goods or services, interact with other
30 systems to cause the goods or services to be delivered to the consumer. In an alternative
15 embodiment, the method and system of the invention can use a public key encryption
system in which the server system uses the consumer's public key to encrypt the work to
35 be transmitted to the client system and the client system uses the client's private key to
decrypt and use and enjoy the work.

40 20 BRIEF DESCRIPTION OF THE DRAWINGS

The foregoing and other objects of this invention, the various features thereof, as
45 well as the invention itself, may be more fully understood from the following description,
when read together with the accompanying drawings in which:

50 FIGURE 1 is a diagrammatic view of a system for distributing works over a
25 network according to the present invention;

5 FIGURE 2 is a diagrammatic view of an alternate system for distributing works
over a network according to the present invention;

10 FIGURE 3 is a diagrammatic view of a method of operating a media server in
accordance with the present invention;

5 FIGURE 4 is a diagrammatic view of a method of distributing low quality copies
15 of a work according to the present invention;

 FIGURE 5 is a diagrammatic view of a method of distributing high quality copies
of a work according to the present invention;

20 FIGURE 6 is a diagrammatic view of a method of using a media player to decrypt
10 and play an encrypted work according to the present invention;

25 FIGURE 7 is a diagrammatic view of a method of searching a database for a work
according to the present invention;

30 FIGURE 8 is a diagrammatic view of a method of demonstrating a low quality
copy of a work according to the present invention;

15 FIGURE 9 is a diagrammatic view of a method of downloading a high quality copy
of a work according to the present invention;

35 FIGURE 10 is a diagrammatic view of method of purchasing a copy of a work
according to the present invention;

40 FIGURE 11 is a diagrammatic view of a method of uploading music to a
20 distribution server according to the present invention;

45 FIGURE 12 is a diagrammatic view of a method of transferring value in exchange
for the receipt of a work according to the present invention;

50 FIGURE 13 is a diagrammatic view of a method of registering a client system with
a server system according to the present invention;

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FIGURE 14 is a diagrammatic view of method of browsing a server system database to select a work according to the present invention; and

FIGURE 15 is a diagrammatic view of a universal electronic commerce for distributing works and conducting electronic transactions for the sale of goods and services over a network according to the present invention.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

The present invention is directed to a method and system for conducting secure electronic commerce transactions. In order to illustrate the application of the invention and to facilitate a better understanding of the invention, the invention is described below as embodied in a method and system for distributing music over a network such as the internet. While the invention is suited for distributing copyrightable works (such as, for example, music, audio, video and text) in electronic form, a person having ordinary skill in the art will appreciate, the invention can be embodied in a method and system for conducting electronic commerce such as retail sales over a network.

The method and system according to the invention allow customers to browse a list of music, listen to a preview, and purchase a copy of encoded music files (such as MP3 encoded files) over the Internet. In accordance with the invention, three components can be used to accomplish this task: 1) a Media Server; 2) a Remote or client system (customer); and 3) a website and associated backend system. In one embodiment, the media server is primarily responsible for distributing music to users across the Internet. In this embodiment, the system server can be a physical machine connected to the Internet and the media server can include a computer program software that runs on one or more system servers. The remote or client system can include any device (such as, a computer, personal digital assistant or portable MP3 player) that can be used for searching, playing, and purchasing music. The web site has a multi-purpose role. The web site is used for

5 database maintenance and searching, credit card processing, and song playback. Each of these components utilize a database of information centrally stored on the system servers.

10 Figure 1 shows a system 100 for distributing music over a network such as the internet 105 in accordance with the present invention. The system 100 includes a media web server 110 such a Unix or LINUX based web server, for example Slackware Linux, installed on an Intel Corp. (Santa Clara, CA) or Digital Equipment Corporation/Compaq (Houston, TX) or Sun Microsystems SPARC (Palo Alto, CA) based computer 112. The media web server 110 is connected to the internet 105, for example by a T1 connection. 20 The media web server 110 can include a database 114, such as a SQL compatible database created by MySQL available from T.C.X DataKonsult AB of Stockholm, Sweden. The media web server 110 can include a media server engine 112 which includes software which enables the media web server to distribute encoded music. The media web server 110 can include an electronic commerce engine 116, such a CyberCash CashRegister Payment Services available from CyberCash, Inc. of Reston, Virginia. The media web 15 server 110 can further include an encoding/decoding engine such as an MPEG encoding/decoding engine for converting audio such as music to various levels of quality and an encryption engine for generating unique keys and encrypting music streams to be downloaded by the client. One such MPEG encoding/decoding engine is Xaudio available from MPEGTV of San Francisco, California. One such encryption/decryption engine is 40 BlowFish available from Counterpane Systems of Minneapolis, Minnesota. Another encryption/decryption engine can be a public key - private key system such as Pretty Good Privacy available from Network Associates, Inc. of Santa Clara, California. 45

The system 100 can also include a customer computer system 120 to enable the customer/consumer to transfer payment to the distributor or owner and download music, 50 videos or text. The customer computer system 120 can be any personal computer 122, 25

5 such as an Apple MacIntosh or an IBM compatible personal computer. In one
embodiment, the customer computer system 120 is an IBM compatible personal computer
10 running the Windows operating system available from Microsoft Corp., Redmond,
Washington. The customer computer system 120 can also include Netscape
5 Communicator or Microsoft Internet Explorer as the browser software used to access the
15 web site on the Media Web Server 110. The browser can be equipped with a media
player "plug-in" software module or media player computer program or applet 124 which
can decrypt and decode the encrypted, MP3 encoded work (music, video or text stream) to
20 allow the user to utilize the work. Alternatively, the media player 124 can be a stand
10 alone application that can be enabled to access the Media Web Server 110 via the internet
25 to browse a list of songs (videos or texts) available for download and complete the
electronic transaction.

The system 100 can further include an author/artist system 130 which can permit
30 an author, artist, musician or owner of a work to upload a work to the media web server
15 110. This function can be incorporated in the media player 124 on the same system that is
used by the customer as discussed above or can be a separate component that is installed
35 on separate client system 230. Like the customer client system 120, the author/artist
system 130 can be any computer, such as an Apple MacIntosh or an IBM compatible
40 personal computer 132.

20 Figure 2 shows an alternative system 200 for distributing music (audio, video or
text) over the internet in accordance with the present invention. In this embodiment, the
45 functions of the media web server described above can be distributed over several server
systems 210 and 211. For example, the an incoming media server 211 can be provided
for uploading works such as music, videos and text to a common database 214 and an
50 outgoing media web server 210 can be provided for distributing low quality music (for
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5 browsing) and high quality music (for purchases) to customers. The outgoing media
server 210 can include a media server engine 212 to distribute music and an electronic
10 commerce engine 216 to facilitate electronic transactions. The outgoing media server 210
can also include the encryption engine 218 and a key database which allows the high
5 quality music to be encrypted prior to being transferred to the customer system 220 to
15 prevent unauthorized distribution of the music.

In accordance with one embodiment of the invention, the media server is a central
element of the system. The media server is primarily responsible for distributing music to
20 users of the system. The media server can run on one or more system servers connected
10 to the Internet. The media server is continuously running; it waits for requests from
remote clients at customer systems and then processes those requests. In accordance with
25 the inventions, there are two types of download requests the media server acts upon: (1) a
request for a low quality stream, and (2) a request for a high quality stream. Both
30 processes are handled in a similar manner, but an additional step is required for a high
15 quality stream.

As shown in FIGURE 3, when the media server program loads, it enters the ready
35 state at step 310 and begins listening for requests on a predefined port, such as, for
example port 3005. Whenever a remote client requests a stream, the request is received at
40 port 3005 on the system server for processing by the media server at step 312. Upon
20 receipt of a request, the media server determines whether the received request is a request
to browse or preview a song (low quality) or a request to purchase a song (high quality) at
45 step 314. Depending upon whether the request is a request for a high quality stream or a
low quality stream, the media server will initiate a process to transmit a high quality
stream at step 316 or a low quality stream at step 318. Typically, the media server will
50 begin a new process to handle the client (the remote) individually. This new process will
25

5 connect back to the remote on a different predefined port, such as, for example, port 3006
to handle the data stream. This design allows for the media server to handle simultaneous
10 streams without any interference between them. The media server seems to be limited
only by the available hardware.

5 As shown in FIGURE 4, when a remote client requests a low quality media stream
(a browse), the media server responds by creating a new process to serve the request at
15 step 412. This process identifies the stream requested and opens the appropriate low
quality file on the server at step 414. The media server then begins to send the file in
20 packets across the Internet to the remote client at step 416. This process continues
10 sending packets until either the end of the file is reached, or the connection to the remote
client is lost at step 418. When the process terminates at step 420, it returns the media
25 server to its previous state.

As shown in FIGURE 5, when a remote client requests a high quality stream (a
30 purchase), the server reacts responds in a similar manner. The server again creates a new
15 process to handle the request at step 512. Because this file will be written to disk for
multiple playbacks, the file is opened at step 514 and the file is encrypted so it can not be
35 distributed after it has been purchased. This is accomplished by using the unique
registration or key number assigned to the remote client. This information is then used to
40 encrypt the file as it is being sent to the customer in step 516. Again, the process
20 continues until the entire file has been sent to the remote client at step 518. After the
process is finished, it returns the server to its previous state at step 520.

45 The remote client can be a program that resides on the user's computer. The
remote client can include the functionality to play MPEG or any other encoded music file,
50 search the music database at the website, request music streams from the media server,
25 and allows purchasing of music. Except for the playback of local (on the hard drive)

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5 MPEG music files, all other processes require an Internet connection to communicate with
the servers. There are two types of the remote client: (1) a basic player client which is
10 limited by not allowing the purchase of songs, and (2) a registered player client which has
all of the functionality required to use purchase and upload music to the system servers.

5 After a user has downloaded the basic player client, they can register the client. This
15 registration process is performed through the web site, and provides the information
needed to process transactions (transfer value), and assigns a unique key to be used in the
encryption and decryption process for purchased music. When a user has completed the
20 registration process, a custom version of the registered player client is downloaded to the
10 user's computer.

25 Song playback is handled by song lists at the remote client. A customer can create
custom song lists from low quality streams, purchased songs, and any non-encrypted
audio file on the customer's computer. As shown in FIGURE 6, when a song is played,
30 the remote client checks to see if the file is a local file at step 612 and if so, the remote
15 opens the file at step 622, and passes it to the MPEG decoder. The decoder takes the file
and decompresses it for playback, and then plays it. If the song is a purchased audio file
35 at step 618, the file is first decrypted at step 620 and then passed to the decoder at step
622. If the file is not a local file at step 612, the remote client initializes a process to
40 download a low quality stream at step 614. In one embodiment, the MPEG
20 encoder/decoder is the X audio MPEG audio engine available from MPEGTV, LLC of
San Francisco, California.

45 The song lists used by the remote client can be created from local files, or streams
from the system server. As shown in FIGURE 7, when a customer wishes to add a
50 stream to the song list, the information needed to play the song is retrieved through a
25 search of the database. When a customer enters a query, by band name for example, the

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5 remote client must pass the request to the system server. The remote client connects to
the system server at step 712 and passes the request to the system database at 714. The
10 database then performs the search and passes the information back to the remote client
where the information can be added to the song list at step 716 before closing the
5 connection at step 718.

15 As shown in FIGURE 8, when a user requests a low quality stream (a browse)
from the media server at step 812, the media server can establish a separate connection to
the remote client for the purpose of transmitting the music data to the remote client. As
20 the remote client receives the information from the media server, it is passed to the MPEG
decoder at step 814 for playback. At this point the stream is treated as if it were a local
10 file. As the information is retrieved from the media server, it is stored in memory. The
25 information is never written to disk because it is intended that the song will not be stored
permanently on the user's machine. In one embodiment, the low quality stream is a
30 24Kb/s, 22KHz MP3 encoded stream or lower quality.

15 A shown in FIGURE 9, when a customer requests a high quality stream (a
purchase) at step 918 from the media server, the process is similar to a browse. A high
35 quality stream is initiated in step 912 and the song is downloaded. A purchased song is
not played as it is downloaded. Because the file is purchased, the file is stored in its
40 encrypted form on the memory of the customer's system in step 914. This allows the
20 customer to listen to the file without the need to be connected to the Internet. In one
embodiment, the high quality stream is a 128kb/s, 44.1KHz MP3 encoded stream or better
45 quality.

As shown in FIGURE 10, customers can purchase songs with the remote client.
50 Customers must first purchase points from the web site before purchasing songs. When a
25 customer buys a high quality sound file, the remote handles the transaction. A connection

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5 is established to the database on the system server in step 1012. The remote client checks
the database for points to purchase the song at step 1014. If a customer has points
10 available at step 1016, the number of points is automatically updated in the database at
step 1020, the database connection is closed at step 1022, and the remote client initiates a
5 high quality stream from the media server at step 1024. If the customer doesn't have
15 enough points at step 1016, the customer is informed of the deficiency and the process is
terminated at step 1018.

As shown in FIGURE 11, musicians can upload their music to the database using
20 the remote client. The musician needs only a high quality audio file such as a 128 kb/s,
10 44.1 kHz, Stereo MP3 file and a musician account in the database. A musician account
25 can be created on the web site by a registered customer. When the process begins, the
musician can be prompted to select the items to be uploaded at step 1110 and to input
information about the song at step 1112. This information can be stored and later used in
30 searches of the database. The remote client then connects to the database at step 1114,
15 updates the information in the database at step 1116, and uploads the file to the system
server at step 1118. After the song upload is complete, the database connection is closed
35 at step 1120. Once the file is saved on the server, a separate process can be used to create
the low quality file at step 1122. For example, the high quality file is decoded into .wav
40 format, then encoded into a low quality (24 kb/s, 22 kHz, Stereo) MP3 and saved. The
20 song will be available once it has been checked for errors.

The web site provides a range of functionality to both customers and musicians.
45 Some of the functions the web site can perform are: (1) To collect a variety of user
information, (2) Credit card processing, (3) Client registration, and (4) Generating listings
from search of the database. Information can be collected throughout the web site using
50 HTML forms and stored in the database. Credit card processing can be handled through a
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5 3rd party service, such as cyber cash payment services available from Cyber Cash, Inc.,
Reston, Virginia. Client registration provides the customer with a fully functional remote
10 client that can be used to purchase music. The band information features, musician listings
and musician information, rely on querying the database for information, and presenting it
5 to the user.

15 One portion of the e-commerce system is credit card processing. As shown in
FIGURE 12, when the customer purchases points, the customer must select a payment
method at step 1210 and enter the transaction information such as credit card information
20 to complete the transaction at step 1212. Points can be used to purchase songs. The
10 number of points a user currently has is tracked in the database. Unlike the rest of the web
site, the credit card processing pages use secure sockets (SSL) to handle the
25 communications. The web site sends the appropriate information to a 3rd party service for
authentication at step 1214. When a response is received from the authentication service,
30 if the transaction is approved at step 1216, the program updates the database at step 1220
15 and if the transaction is not approved, and informs the user of the result of the transaction.

35 Although a customer can browse music and play MP3 files with the basic remote
client, a customer must have a registered remote client to purchase high quality files. As
shown in FIGURE 13, when a customer wishes to register at step 1310, they provide
40 general information about themselves for use by the distribution source at step 1312.
20 After this information is stored in the database at step 1314, a unique key is assigned to
the customer for use in the encryption and decryption process of the high quality sound
45 files at step 1316. A custom registered remote client program is then created with the
appropriate registration information and sent to the customer at step 1318. A customer
50 can now purchase high quality sound files and listen to them.

5 The artist and band listings provide the customer with the ability to locate artists
and bands based upon a variety of criteria. The artist/band listing is maintained by the
website backend. When a search is passed to the backend, it first establishes a connection
10 to the database. When the connection is established, the backend sends the request to the
5 database and waits for a response. As the information is returned from the database, it is
15 formatted according to template files. These templates provide instructions for how the
information is formatted in standard HTML. The generation of artist/band listings can be
initiated by: (1) custom searches of the database from the web site, or (2) changes to the
20 database.

10 In addition, as shown in FIGURE 14, a customer can also initialize a browse
function from the web site at step 1410. When a customer selects a song from the web
25 page, the web backend sends a file associated with the remote to the user's web browser at
step 1412. When the web browser receives this file, it automatically launches the remote
30 client at step 1414. This file contains instructions that initiate a low quality stream of the
15 song selected from the web site.

35 Figure 15 shows a system 1500 for conducting electronic commerce over the
internet in accordance with the present invention. In this embodiment, the system
includes a plurality of servers 1510, 1520, 1530 and a universal electronic commerce
40 client 1550. The client 1550 can include a web browser 1554 which is configured to
20 include a unique encryption key or other unique identifier 1556 which is used for all
electronic transactions with a retail web server 1530 which allows for the secure purchase
45 of goods, services or works (audio, video or text). The retail web server 1530 can include
any computer server coupled to a retailer/distributor database 1532 that is used in
50 electronic transactions for the sale of goods, services or the distribution of audio, video or
25 text works. The system 1500 can also include a key encryption system in which the

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5 client's unique private key is stored in an independent, trusted public key server 1520 and
associated key database 1522 which can only accessed by authorized retailer or distributor
10 servers. The system 1500 can also include a credit/debit web server 1510 which permits
the customer to establish an account and provides for the transfer of value (payment) in
5 exchange for works downloaded. The credit/debit web server 1510 can include a
15 credit/debit database 1512 in which customer, retailer, distributor and owner accounts can
be stored.

20 As one of ordinary skill will appreciate, the system of the present invention can be
used to distribute works (audio, video or text) in a business to business context as well as
10 a business to consumer or customer context. For example, music can be distributed for
25 use in offices, waiting rooms and elevators using the above identified system. In this
embodiment the music can be downloaded as needed based on a predefined program or
downloaded and stored for later playback according to a predefined program.
30 Alternatively, the browse mode can be used to receive predefined or random streams of
15 music for use in offices, waiting rooms or elevators, etc.

35 The invention may be embodied in other specific forms without departing from the
spirit or essential characteristics thereof. The present embodiments are therefore to be
considered in respects as illustrative and not restrictive, the scope of the invention being
40 indicated by the appended claims rather than by the foregoing description, and all changes
20 which come within the meaning and range of the equivalency of the claims are therefore
intended to be embraced therein.
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Claims

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What is claimed is

1. An apparatus for distributing a units of information representative of copyrightable works over a network, said apparatus comprising:

an information database adapted for storing said units of information representative of copyrightable works;

a media server, connected to said information database, including a computer system, associated memory, and media server software, said media server software being adapted to retrieve said units of information from said information database and to transmit said units of information to a plurality of client systems over said network;

an encryption engine connected to said media server and adapted for processing each of said units of information to create encrypted units of information according to a unique key for each client system.

2. A system for distributing a units of information representative of copyrightable works over a network comprising:

an information database adapted for storing said units of information representative of copyrightable works;

a media server, connected to said information database, including a computer system and associated memory, said media server including media server software, said media server software being adapted to retrieve said units of information from said information database and to transmit said units of information to a plurality of client systems over said network;

an encryption engine connected to said media server adapted for processing each of said units of information to create encrypted units of information according to a unique key for each client system;

a client system including a computer system, associated memory, and client

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5 software, said client software being adapted for communicating with said media server to
receive said encrypted units of information from said media server;

10 said client system including a reader adapted for decrypting and presenting said
information to an end user;

5 wherein said reader includes a unique key adapted decrypting said encrypted units
15 of information and said media server is adapted for encrypting said units of information
according to at least one key that is unique to the reader of each client system.

20 3. A method of distributing units of information representative of copyrightable
works over a network comprising the steps of:

10 storing each of said units of information in a database;

25 upon request from a client system for a particular unit of information, retrieving
said unit of information and encrypting said unit of information using a key unique to said
client system; and

30 transferring said encrypted unit of information to said client system.

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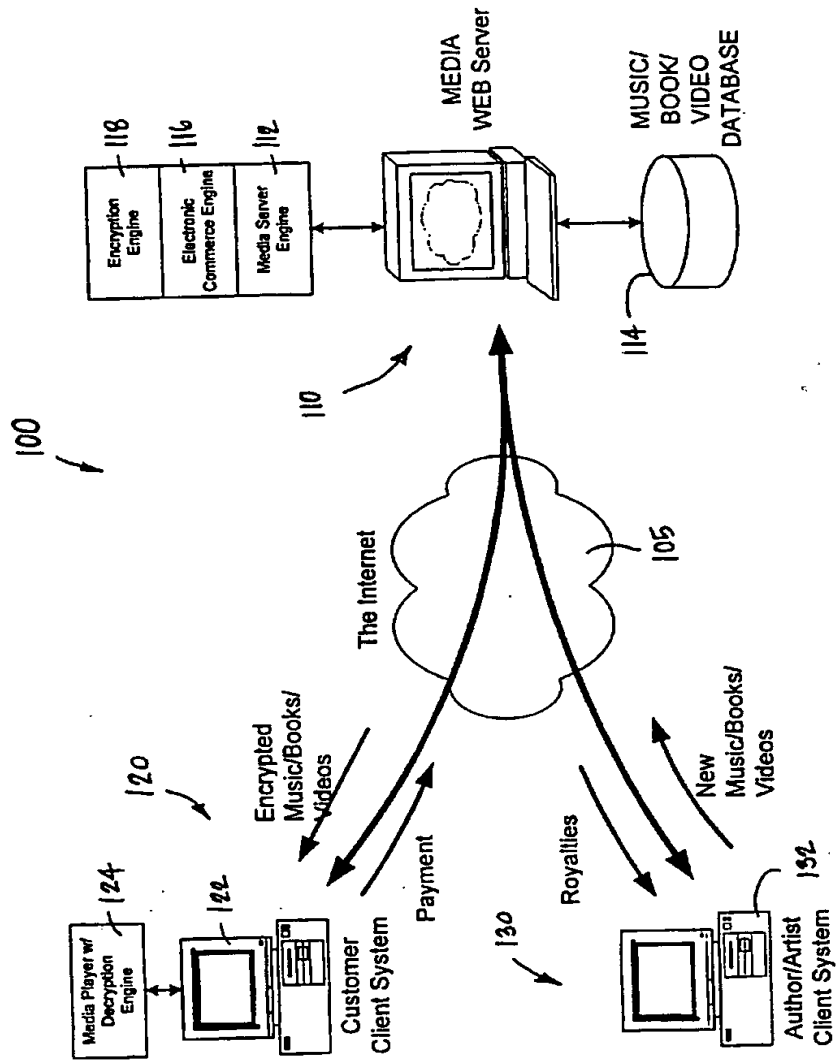


FIG. 1

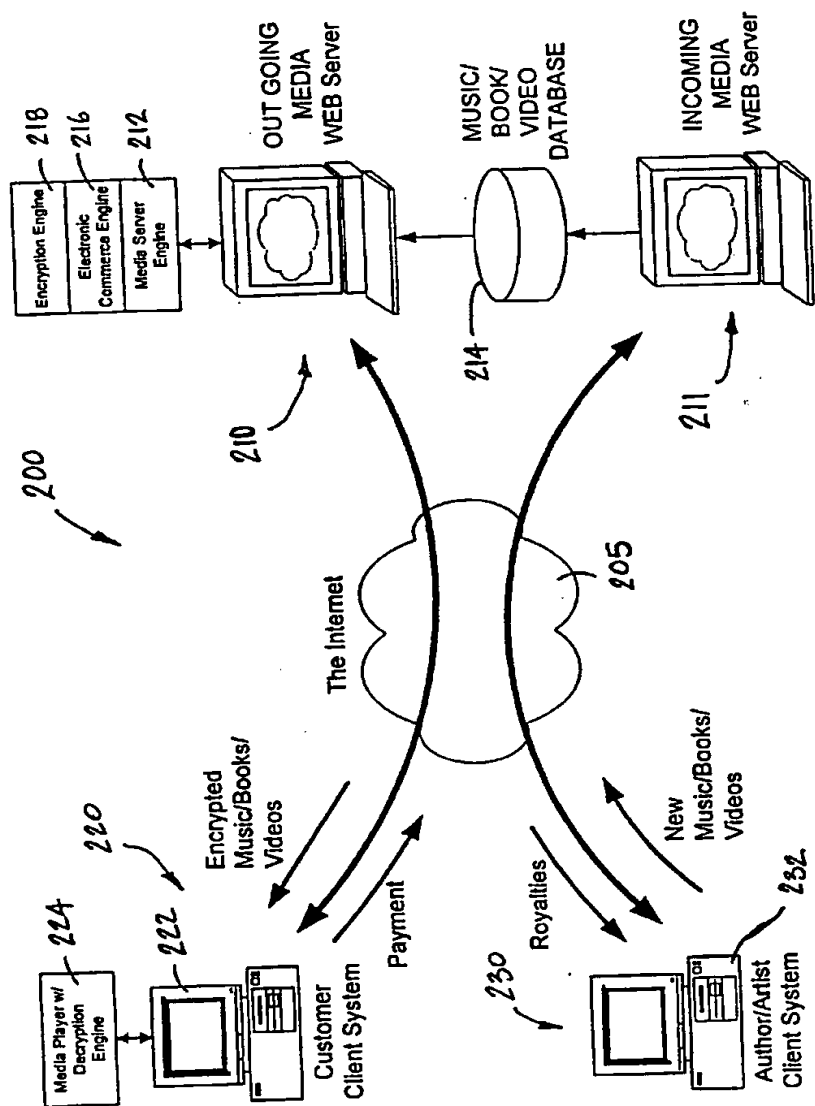
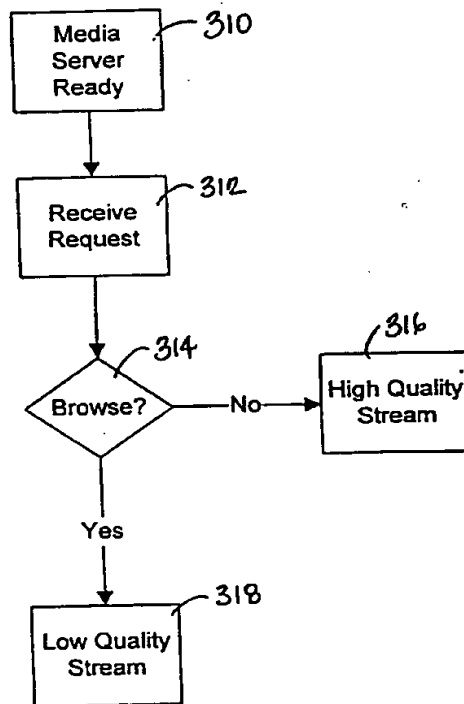
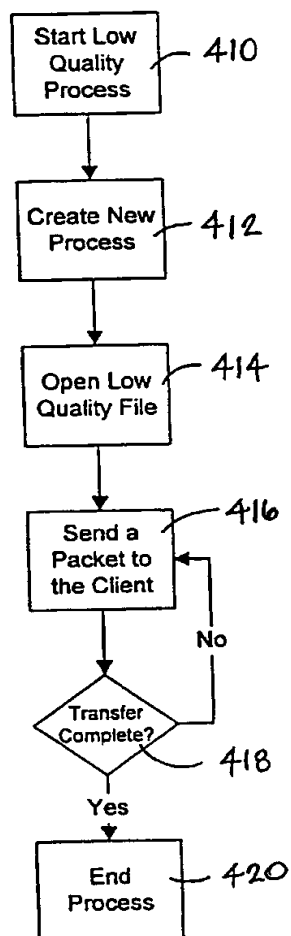
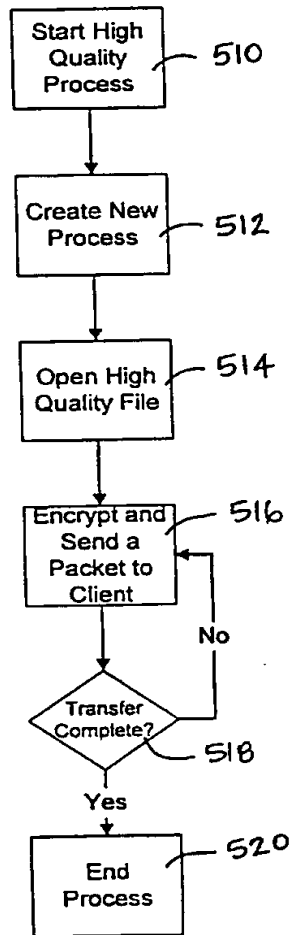
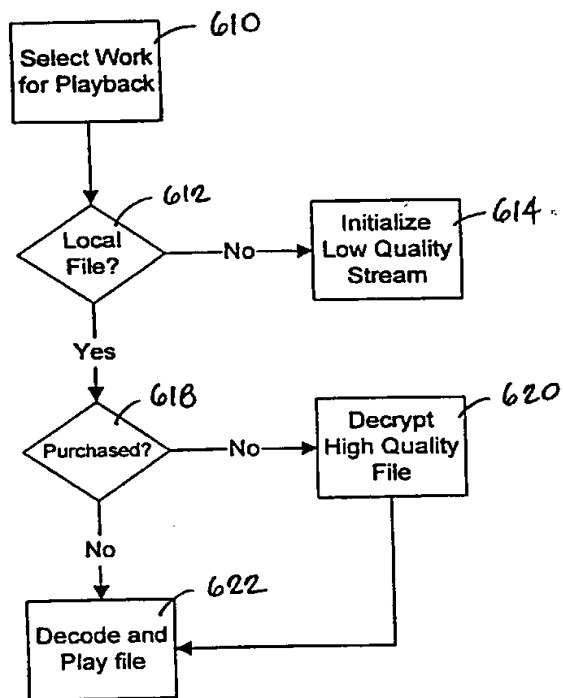


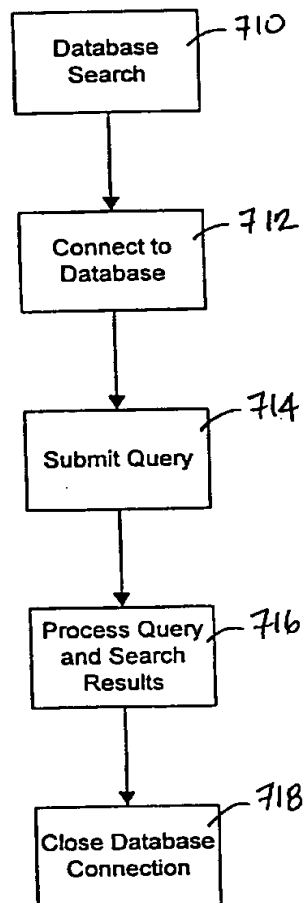
FIG. 2

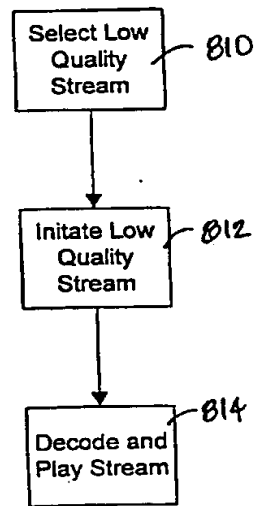
**FIG. 3**

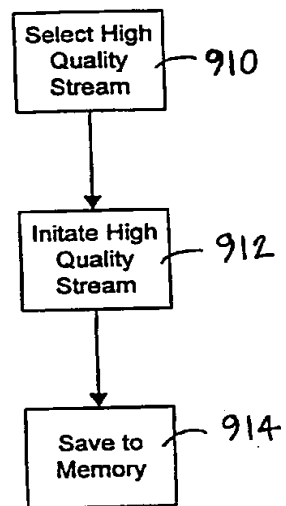
**FIG. 4**

**FIG. 5**

**FIG. 6**

**FIG. 7**

**FIG. 8**

**FIG. 9**

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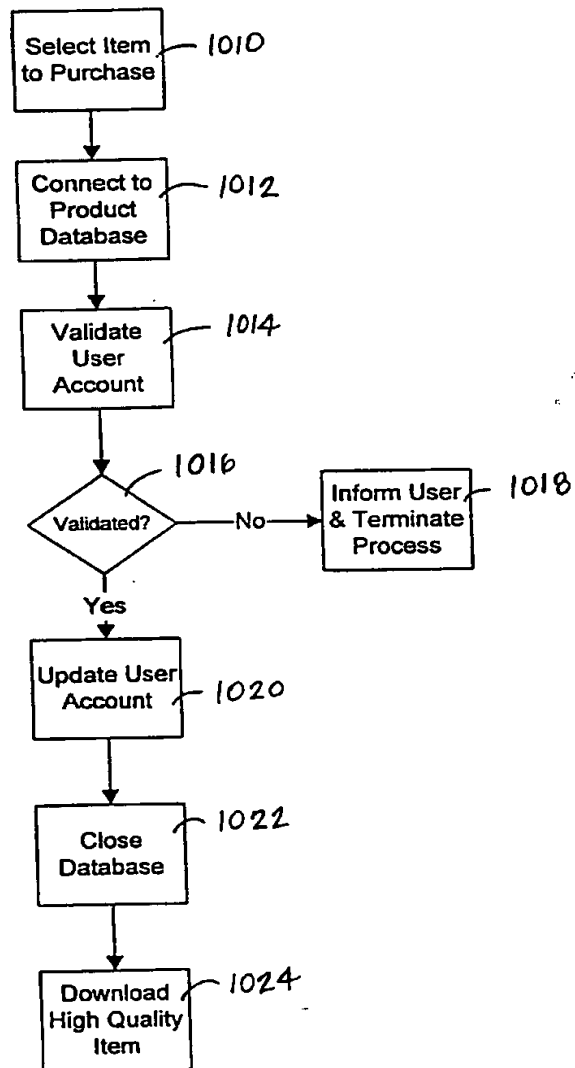
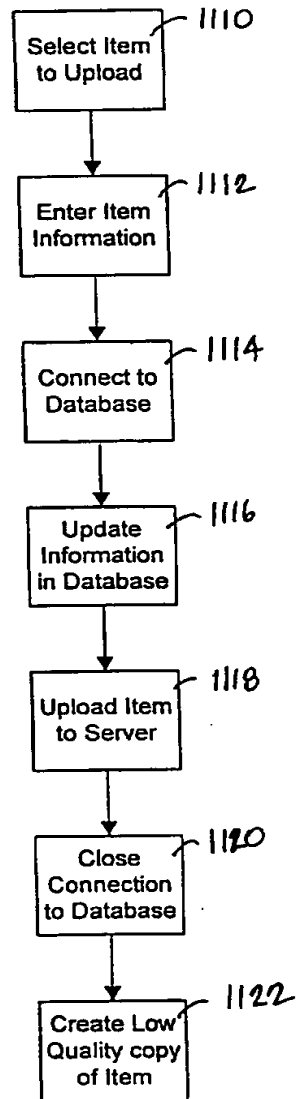
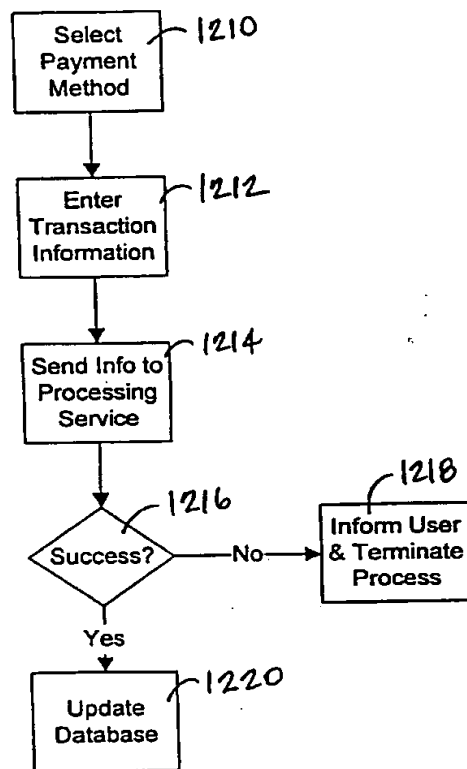


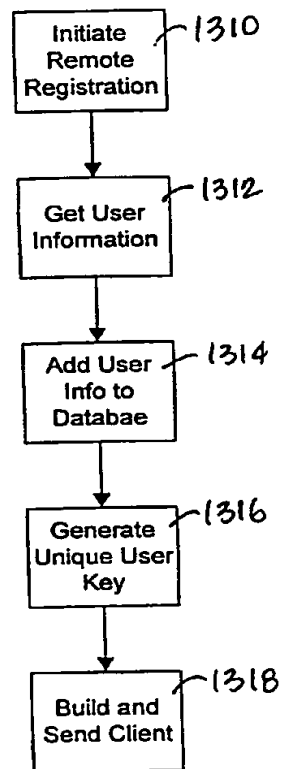
FIG. 10

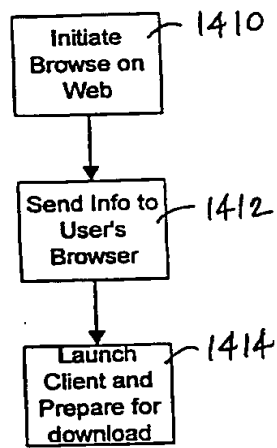
11/15

**FIG. 11**

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**FIG. 12**

**FIG. 13**

**FIG. 14**

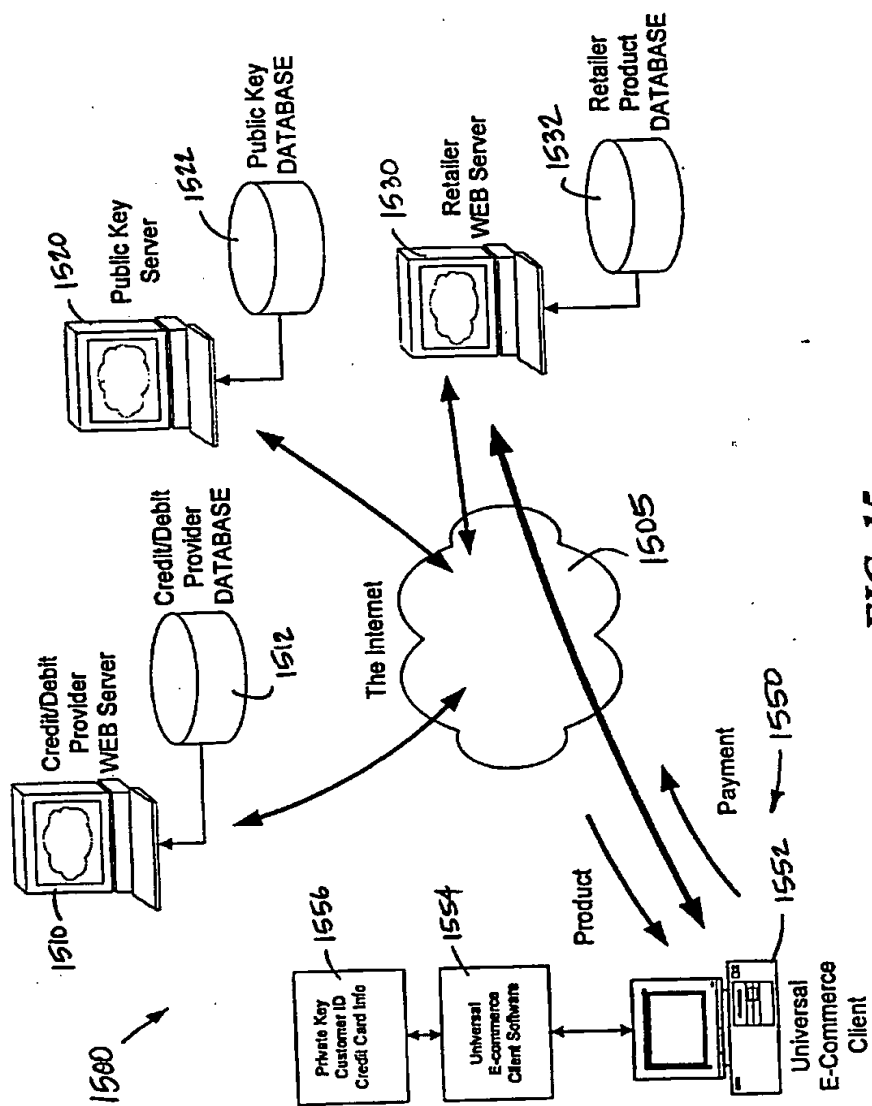


FIG. 15

INTERNATIONAL SEARCH REPORT

Int. Appl. No.
PCT/US 00/09774

A. CLASSIFICATION OF SUBJECT MATTER
IPC 7 G06F17/60 H04L29/06 G06F1/00

According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)
IPC 7 H04L G06F G07F

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practical, search terms used)

EP0-Internal, PAJ

C. DOCUMENTS CONSIDERED TO BE RELEVANT

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☒ Further documents are listed in the continuation of box C.

☒ Patent family members are listed in annex.

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- "A" document defining the general state of the art which is not considered to be of particular relevance
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Date of the actual completion of the international search

30 August 2000

Date of mailing of the international search report

06/09/2000

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Carnerero Álvaro, F

INTERNATIONAL SEARCH REPORT

Int. Application No
PCT/US 00/09774

C.(Continuation) DOCUMENTS CONSIDERED TO BE RELEVANT		
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INTERNATIONAL SEARCH REPORT

Information on patent family members

Int'l Application No
PCT/US 00/09774

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